



WISCONSIN LEGISLATIVE COUNCIL INFORMATION MEMORANDUM

New Diesel Truck Idling Reduction Grant Program (Part of 2005 Wisconsin Act 25)

Act 25 (the 2005-06 Biennial Budget Act) adopted in 2005, creates a new state grant program for diesel truck idling reduction units. This program is administered by the Department of Commerce and provides grants to freight motor carriers headquartered in Wisconsin for a portion of the cost of idling reduction units installed on the carrier's newer truck tractors. The program is designed to award \$1 million per year in grants for five years, starting July 1, 2006.

Idling reduction units provide an alternative source of power used to heat, cool, or provide electricity to the cab or other parts of a truck in lieu of operating the truck's main drive engine to power these services. The use of idling reduction units on heavy-duty diesel trucks is a strategy for reducing idling by these trucks. Reducing the idling by a truck saves energy and lowers air pollution emissions from the truck.

Two federal programs also assist motor carriers in Wisconsin interested in reducing the idling of their diesel trucks. The Department of Energy Clean Cities Program works to reduce petroleum consumption through a number of means, including its idle reduction strategies. These strategies provide education and technical assistance and state energy program grants for relevant projects. The Environmental Protection Agency SmartWay Transportation Partnership is a voluntary program designed to reduce air pollution and promote cleaner, more efficient truck and rail transportation, through various means, including idling reduction in its National Transportation Idle-Free Corridors Project. Technical assistance, analysis of emissions impacts and reductions and funding demonstration projects are examples of the activities under this project.

A recent conference held in Southeast Wisconsin in July 2005 provided information on diesel emission reductions in Wisconsin. The conference addressed why diesel emissions reductions are needed and how these reductions can be obtained.

ELIGIBLE IDLING REDUCTION UNITS

Act 25 defines an "idling reduction unit" eligible to be funded with a grant under the diesel truck idling reduction grant program (the program) to mean:

A device that is installed on a diesel truck to reduce the long-duration idling of the truck by providing heat, air conditioning, or electricity to the truck while the truck is stationary and the main drive engine of the truck is not operating.

This includes a small diesel generator installed on a truck, often called an auxiliary power unit. It also includes direct fired heaters installed on a truck.

Because this definition requires the unit to be installed on the truck, idling reduction equipment which is not installed on the truck, such as a truck stop electrification system, is not eligible for funding under the program.

GRANT PROGRAM

PROGRAM DURATION

Act 25 specifies that the Department of Commerce may award a grant under the program between July 1, 2006 and June 30, 2011 to an eligible applicant for the purchase and field testing of one or more idling reduction units, subject to the conditions and requirements described below.

ELIGIBLE APPLICANTS

To be eligible to apply for a grant under the program, an applicant must meet all of the following requirements:

- Be a common motor carrier, contract motor carrier, or private motor carrier that transports freight.
- Be headquartered in Wisconsin.
- Comply with the grant conditions and requirements.

GRANT AWARDS

A grant awarded under the program may pay 70% of the costs that an applicant has incurred or will incur to purchase and install the specified number of idling reduction units on the applicant's eligible truck tractors. An eligible truck tractor is a truck tractor with a post-1995 diesel truck engine that the applicant owns and operates. A truck tractor is a type of truck that typically pulls a semi-trailer. Act 25 defines a "post-1998 diesel truck engine" to mean:

A heavy-duty highway diesel engine that complies with the air pollutant emission standards promulgated by the federal environmental protection agency under 42 USC 7521 for engine model year 1998 or a later engine model year.

The maximum number of idling reduction units which an applicant may have funded under the program is based on the applicant's number of eligible truck tractors, as specified in the following table:

***Maximum Number of Idling Reduction Units
Which an Applicant May Have Funded Under the Program***

Applicant's Number of Eligible Truck Tractors	Maximum Number of Units Funded
1	1
2 to 10	2
11 to 50	2, or 10% of the applicant's number of eligible truck tractors, whichever is greater
51 to 250	6, or 7% of the applicant's number of eligible truck tractors, whichever is greater
251 to 500	18, or 6% of the applicant's number of eligible truck tractors, whichever is greater
501 to 2,500	25, or 5% of the applicant's number of eligible truck tractors, whichever is greater
Over 2,500	3% of the applicant's number of eligible truck tractors

A grant may not fund any of the following costs:

- The cost of shipping an idling reduction unit from the manufacturer to the facility where the idling reduction unit will be installed on the truck tractor.
- The cost of operating an idling reduction unit.
- The cost of maintaining an idling reduction unit.

GRANT CONDITIONS AND REQUIREMENTS

The program specifies a number of conditions and requirements on a grant. In particular, an applicant must do all of the following to receive a grant:

- Pay 30% of the eligible costs for each idling reduction unit covered by the grant without the use of grants, loans, or other financial assistance from the State of Wisconsin or from a local governmental unit in Wisconsin.
- Install each idling reduction unit funded by a grant on an eligible truck tractor (as described above, these are truck tractors owned and operated by the applicant and that have a "post-1998 diesel truck engine").
- Show that the use of the idling reduction unit will result, in the aggregate, in either of the following:
 - A decrease in the emissions of one or more air contaminants from the truck tractor on which the unit is installed.
 - A decrease in the use of energy by the truck tractor on which the unit is installed.

- If a grant covers more than one idling reduction unit, purchase units of more than one type of unit and from more than one manufacturer, as required by the Department of Commerce.
- Agree to collect information relating to the operation and performance of each idling reduction unit covered by the grant, as specified by the Department of Commerce, and to report that information to the department.
- Meet any other condition specified by the Department of Commerce.

The Department of Commerce may pay a grant over more than one fiscal year, subject to the availability of funds and to an annual cap on grant payments to individual applicants. This cap requires that, in any fiscal year, the Department of Commerce may not pay to any one applicant more than 20% of the total amount appropriated for idling reduction grants for that fiscal year.

In addition, the Department of Commerce must withhold payment of at least 20% of a grant until the recipient has complied with the grant conditions, including providing to the department information relating to the operation and performance of each idling reduction unit covered by the grant.

DISSEMINATION OF OPERATION AND PERFORMANCE DATA

The Department of Commerce must collect information from grant recipients relating to the operation and performance of idling reduction units installed under the program. The department must summarize this information and make it available to motor carriers in an accessible and cost-effective manner, such as on the department's Internet site.

ADMINISTRATIVE RULES

Act 25 directs the Department of Commerce to promulgate rules for the administration of the program. It also authorizes the department to promulgate emergency rules for the program without making the required finding of emergency. These emergency rules may continue in effect until the permanent rules for the program become effective or the statutory limits on emergency rule terms and extensions are reached, whichever is earlier.

APPROPRIATIONS AND POSITION AUTHORIZATION

Act 25 appropriates \$1 million in fiscal year 2006-07 for grants under the program.

Act 25 does not appropriate funds for the program for the remaining four years of the program after fiscal year 2006-07 because the state only appropriates funds in its budget process for the current biennium. However, as part of the budget process, in general, the appropriation for a state program in the second year of the current biennium, \$1 million in the case of this program, becomes the base budget for the program in the subsequent biennium. Thus, assuming that the Governor and Legislature continue to fund the program at its base level and do not change the duration of the program, the program will have available \$1 million for grants in each of the remaining four years of the program.

Act 25 also authorizes one new full-time equivalent position at the Department of Commerce to administer the grant program and provides \$37,700 in fiscal year 2005-06 and \$48,900 in fiscal year 2006-07 for this position. (The funding for fiscal year 2005-06 assumes that the position will be filled for only part of the year.)

The appropriations for grants and program administration are made from the state's Petroleum Inspection Fund. This fund is funded primarily by a petroleum inspection fee imposed on petroleum products brought into the state.

TEXT OF THE LAW

The idling reduction grant program is found in s. 560.125, Stats. The appropriations for the grants and the grant administration are found in s. 20.143 (3) (sm) and (sn), Stats., respectively. The text of these statutes and of Act 25 may be accessed via the Wisconsin State Legislature's website at <http://www.legis.state.wi.us/>. (Click on "Wisconsin Law.")

FEDERAL GOVERNMENT DIESEL TRUCK IDLING REDUCTION PROGRAMS

DEPARTMENT OF ENERGY CLEAN CITIES PROGRAM

The purpose of the U.S. Department of Energy's (DOE's) Clean Cities Program is to "advance the nation's economic, environmental, and energy security by supporting local decisions to adopt practices that contribute to the reduction of petroleum consumption." This program works through a network of more than 80 volunteer coalitions across the country including Wisconsin Clean Cities-Southeast Area. These coalitions develop public-private partnerships that promote the Clean Cities Program areas, including use of alternative fuels and vehicles, fuel blends, fuel economy, hybrid vehicles, and idle reduction.

The idle reduction strategies being pursued by the Clean Cities Program include providing education and technical assistance, such as sponsoring workshops and preparing relevant documents, establishing and tracking national and regional idle reduction goals and impacts, and making state energy program grants available for idle reduction projects. Additional information on the Clean Cities Program efforts on idle reduction is available at the following DOE Web site: <http://www.eere.energy.gov/cleancities/idle>.

ENVIRONMENTAL PROTECTION AGENCY SMARTWAY TRANSPORT PARTNERSHIP

The U.S. Environmental Protection Agency's (EPA's) SmartWay Transport Partnership is a national voluntary program developed by EPA and the freight industry. Its purpose is to reduce air pollution and greenhouse gases and to promote cleaner, more efficient truck and rail transportation. A major portion of the work of the partnership focuses on reducing idling by diesel trucks and locomotives. One project of the partnership is the National Transportation Idle-Free Corridors Project. The objective of this project is "to eliminate all unnecessary long-duration truck and locomotive idling at strategic points along major transportation corridors."

Activities of the partnership relating to its Idle-Free Corridors Project include developing and managing partnerships and relationships among public and private entities that oversee and implement local and regional programs under the project; studying the emissions impacts

from idling trucks; providing guidance on air quality benefits from idle reduction activities for use in air quality management activities, such as state implementation plans; funding demonstration projects and regional efforts to develop and implement idling reduction programs; identifying innovative funding and incentive opportunities; and providing relevant education and outreach. Additional information on the SmartWay Transport Partnership's National Transportation Idle-Free Corridors project is available at the following EPA Web site: <http://www.epa.gov/smartway/idling.htm>.

WISCONSIN CONFERENCE ON DIESEL EMISSION REDUCTIONS

On July 20, 2005, the conference *Forward Wisconsin: Reducing Diesel Emissions for the Long Haul*, was held at the Milwaukee Area Technical College in Oak Creek, Wisconsin. The purpose of this conference was to discuss why diesel emissions reductions are needed, how they can be obtained, and to provide examples of fleets using these reduction techniques. The conference was hosted by the U.S. EPA's Region 5 Midwest Clean Diesel Initiative, U.S. DOE's Midwest Regional Office, Wisconsin Department of Natural Resources, and Wisconsin Clean Cities-Southeast Area.

Presentations made at the conference included:

- "What are the Public Health Implications from Diesel?"
- "Wisconsin's Air Quality – Meeting the Clean Air Challenges"
- "Overview of Idle Reduction Options for Trucks, Buses, and Locomotives"
- "Fleet Idle Reduction Perspectives"
- "Quad/Graphics and the SmartWay Transport Partnership Experience"
- "Overview of Diesel Retrofit Control Options"
- "Wisconsin School Bus Retrofit Program"
- Biodiesel: A Transparent Solution for Emissions Reductions"

Copies of the slides from these presentations are posted at the following Web site: <http://www.epa.gov/ARD-R5/mobile/presentations.htm>.

This Information Memorandum was prepared by John Stolzenberg, Chief of Research Services, on September 20, 2005. The memorandum is not a policy statement of the Joint Legislative Council or its staff.

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